



NEW JERSEY DEPARTMENT OF TRANSPORTATION

METHODOLOGY FOR DETERMINING TRIENNIAL DISADVANTAGED BUSINESS ENTERPRISE (DBE) OVERALL GOAL FOR FEDERAL FISCAL YEARS (FFY) 2026 THROUGH 2028

The New Jersey Department of Transportation (NJDOT) has established a Disadvantaged Business Enterprise (DBE) Program in accordance with the regulations of the United States Department of Transportation (USDOT), 49 C.F.R. Part 26.

NJDOT has determined its overall DBE goal for federal fiscal years 2026 through 2028 as 14.82% of the total federal financial assistance NJDOT will expend on Federal Highway Administration (FHWA) contracts. NJDOT projects that 5.75% of the total funding expended on federally assisted highway projects for this period can be achieved through race and gender-neutral means or methods, and the remaining 9.07% can be achieved through race and gender conscious means or methods.

NJDOT will seek to attain a maximum portion of its DBE goal utilizing race and gender-neutral means. Race and gender-neutral DBE participation and race and gender conscious DBE participation is monitored by the NJDOT Division of Civil Rights monthly, and adjustments are made accordingly to ensure that NJDOT neither exceeds nor falls short of meeting its DBE goal on an annual and overall basis.

I. Step One: Establishing the Base Figure

A. Market Area Analysis

As required by 49 CFR 26.45(c)(1), the analysis must include the identification of the market area when using a DBE directory and Census Bureau data to calculate the step 1 base figure. The market area is the geographical area that represents a particular market. There must be sufficient facts to support a market area determination. NJDOT has determined that there are sufficient facts to conclude that the State of New Jersey is its market area. Between July 1, 2022, and June 30, 2024, NJDOT awarded the majority, (89%), of its contracts to New Jersey based firms. Therefore, the State of New Jersey is NJDOT's market area.

The following Table 1 depicts the total number of contractors and dollar value of construction and consulting contracts, or agreements awarded by NJDOT between July 1, 2022, and June 30, 2024. As depicted in Table 1, NJDOT awarded prime contracts or agreements to 194 contractors valued at \$2,263,477,210. Of these contractors, 173 or 89.17% were New Jersey based companies. The dollar value of the contracts awarded to New Jersey based firms was \$2,219,275,950 or 98.05% of the total amount expended. Based on this data, NJDOT's market area is concluded to be the State of New Jersey.

Table 1: NJDOT Contracts or Agreements Awarded from 2022-2024

| Geographic Distribution of Participating Contractors (2022 - 2024) | Number of Contractors | Dollar Value of Contracts | Percentage of Total Dollars |
|---------------------------------------------------------------------------|------------------------------|----------------------------------|------------------------------------|
| New Jersey Based Contractors | 173 | \$2,219,275,950 | 98.05% |
| Pennsylvania Based Contractors | 8 | \$38,420,617 | 1.70% |
| New York Based Contractors | 10 | \$4,457,350 | 0.20% |
| Ohio Based Contractors | 1 | \$789,447 | 0.03% |
| Connecticut Based Contractors | 2 | \$533,846 | 0.02% |
| TOTAL: | 194 | \$2,263,477,210 | 100.00% |

B. Defining the Variables

The Step One Base Figure is a measurement of the actual relative availability of DBEs and potential DBEs to perform the types of work that NJDOT intends to contract. It is the percentage of DBEs among all firms that are ready, willing, and able to compete for DOT-assisted contracts. This percentage is calculated by dividing the number of DBEs ready, willing, and able to perform the types of work that NJDOT will fund during this triennial period, by the number of all firms (DBEs and non-DBEs) ready, willing, and able to perform these same work types.

Pursuant to 49 CFR 26.45(c)(1), NJDOT has determined the work type areas under the North America Industrial Classification System ("NAICS") for the period of the triennial goal and the number of all ready, willing, and able businesses available in its market that perform work in the same NAICS codes by using the 2022 Census Bureau's County Business Pattern (CBP) database. The 2022 CBP is the most current data available at the time of this proposed goal.

Secondly, NJDOT has determined the number of ready, willing, and able DBEs. "Ready willing and able DBEs" are DBEs certified in the New Jersey Unified Certification Program (NJUCP) Directory with six-digit NAICS codes in work categories where NJDOT can identify opportunities for DBE firms to participate on FHWA-assisted contract(s).

Table 2 illustrates the final count of firms by NAICS code in the NJUCP and CBP used to determine the availability of DBEs for which there will be contracting and subcontracting opportunities with NJDOT on federally assisted contracts.

Table 2: Ready, Willing and Able DBEs, March 2025

| NAICS Description | NAICS | NJUCP Counts | 2022 Census CBP Counts by Applicable County |
|------------------------------------------------------------------------------------------------|--------|--------------|---------------------------------------------|
| Water and Sewer Line and Related Structures Construction | 237110 | 73 | 203 |
| Oil and Gas pipeline and related Structures Construction | 237120 | 14 | 28 |
| Power and Communication Line and Related Structures Construction | 237130 | 43 | 126 |
| Highway, Street, and Bridge Construction | 237310 | 209 | 276 |
| Other Heavy and Civil Engineering Construction | 237990 | 136 | 129 |
| Poured Concrete Foundation and Structure Contractors | 238110 | 73 | 333 |
| Structural Steel and Precast Concrete Contractors | 238120 | 71 | 95 |
| Masonry Contractors | 238140 | 70 | 717 |
| Other Foundation, Structure, and Building Exterior Contractors | 238190 | 60 | 132 |
| Electrical Contractors and Other Wiring Installation Contractors | 238210 | 117 | 2670 |
| Other Building Equipment Contractors | 238290 | 28 | 205 |
| Painting and Wall Covering Contractors | 238320 | 79 | 1030 |
| Other Building Finishing Contractors | 238390 | 39 | 226 |
| Site Preparation Contractors | 238910 | 103 | 749 |
| All Other Specialty Trade Contractors | 238990 | 115 | 935 |
| Ready-Mix Concrete Manufacturing | 327320 | 4 | 60 |
| Cut Stone and Stone Product Manufacturing | 327991 | 1 | 65 |
| Fabricated Structural Metal Manufacturing | 332312 | 34 | 63 |
| Ornamental and Architectural Metal Work | 332323 | 17 | 76 |
| Fabricated Pipe and Pipe Fitting Manufacturing | 332996 | 8 | 13 |
| All Other Misc. Fabricated Metal Product Manufacturing | 332999 | 9 | 50 |
| Sign Manufacturing | 339950 | 23 | 164 |
| Lumber, Plywood, Millwork and Wood Panel Merchant Wholesalers | 423310 | 17 | 161 |
| Brick, Stone, and Related Construction Material Merchant Wholesalers | 423320 | 31 | 142 |
| Other Construction Material Merchant Wholesalers | 423390 | 40 | 95 |
| Other Miscellaneous Durable Goods Merchant Wholesalers | 423990 | 38 | 433 |
| Metal Service Centers and Other Metal Merchant Wholesalers | 423510 | 32 | 246 |
| Electrical Apparatus & Equipment & Wiring Supplies, and Related Equipment Merchant Wholesalers | 423610 | 63 | 380 |
| Hardware Merchant Wholesalers (fasteners, bolts, nuts, rivets, screws) | 423710 | 29 | 156 |
| Wholesale Trade Agents and Brokers | 425120 | 88 | 1051 |
| General Freight Trucking, Local | 484110 | 68 | 1617 |
| General Freight Trucking, Long-Distance, Truckload | 484121 | 25 | 1147 |
| Specialized Freight (except Used Goods) Trucking, Local | 484220 | 91 | 673 |

Table 2: Ready, Willing and Able DBEs, March 2025 (cont.)

| | | | |
|----------------------------------------------------------------------------------------------------------------|--------|-------------|--------------|
| Specialized Freight (except Used Goods) Trucking, Long-Haul | 484230 | 20 | 187 |
| Snow clearing, highways and bridges, road transportation | 488490 | 22 | 88 |
| Title Abstract and Settlement Offices | 541191 | 3 | 277 |
| Architectural Services | 541310 | 58 | 646 |
| Landscape Architectural Services | 541320 | 58 | 154 |
| Engineering Services | 541330 | 402 | 1532 |
| Inspection services, building or home | 541350 | 70 | 159 |
| Geophysical Surveying and Mapping Services | 541360 | 24 | 14 |
| Surveying and Mapping (except Geophysical) Services | 541370 | 74 | 166 |
| Testing Laboratories | 541380 | 64 | 230 |
| Administrative and General Management Consulting Services | 541611 | 507 | 2667 |
| Marketing Consulting Services | 541613 | 151 | 1320 |
| Process, Physical Distribution and Logistics Consulting Services | 541614 | 125 | 294 |
| Other Management Consulting Services | 541618 | 207 | 510 |
| Environmental Consulting Services | 541620 | 133 | 343 |
| Other Scientific and Technical Consulting Services | 541690 | 196 | 606 |
| Public Relations Agencies | 541820 | 64 | 210 |
| Marketing Research and Public Opinion Polling | 541910 | 55 | 153 |
| Landscaping Services | 561730 | 48 | 4718 |
| Hazardous Waste Collection | 562112 | 11 | 16 |
| Other Waste Collection (hazardous waste hauling, local) | 562119 | 32 | 42 |
| Remediation Services | 562910 | 67 | 249 |
| All Other Miscellaneous Waste Management Services (Catch Basin Cleaning Service, Storm Basin Cleanout Service) | 562998 | 67 | 33 |
| SUBTOTAL | | 4306 | 29060 |

C. Calculating the Step One Base Figure

Step One Base Figure = Ready, willing, and able DBEs ÷ All firms ready, willing and able

Step One Base Figure = 4,306 ÷ 29,060 = 0.148176

Step One Base Figure = 14.82%

D. Weighting

NJDOT did not use weighting in its 2026 through 2028 DBE goal calculation. NJDOT considered weighting the base figure according to the projected federally funded Statewide Transportation Improvement Program (STIP) expenditures for construction services and consulting services. While the STIP represents the best data available to determine NJDOT's future expenditures, it does not provide the best information as to how those expenditures will be divided between construction and professional services work. Without that data, dividing the limited number of DBEs in the NJUCP Directory by the number of all businesses in the 2022 Census CBP Counts provides the most accurate measure of the relative availability of DBEs in NJDOT's market.

II. Step Two: Adjusting the Step One Base Figure

In accordance with 49 CFR 26.45(d), the factors to be considered in determining whether or not adjustments are necessary are as follows: past participation; evidence from disparity studies; statistical disparities in the ability of DBEs to get financing, bonding and insurance; data on employment, self-employment, education and training, union programs and apprenticeship programs; and any other data that would help to better measure the percentage of work that DBEs would be likely to obtain in the absence of discrimination.

A. Past Participation

NJDOT determined that the Step One Base Figure would not be adjusted based on past participation. An adjustment based on past participation is not warranted because the median of past participation in years 2020, 2021, 2022, 2023, and 2024 is 14.53%, as represented in Table 3.

Table 3: Median of Past Participation, Years 2017-2021

| Year | DBE Attainment | Median Participation |
|------|----------------|----------------------|
| 2020 | 10.57% | |
| 2021 | 12.13% | |
| 2022 | 16.66% | |
| 2023 | 14.53% | |
| 2024 | 15.86% | |
| | | 14.53% |

The Step One analysis resulted in a Step One Base Figure of 14.82% and the past 5-year median participation rate in 14.53%, a difference of 0.29%.

| | |
|-------------------------------------|-----------------|
| Step One Base Figure | 14.82% |
| Median of Past Participation | <u>- 14.53%</u> |
| Difference | 0.29% |

NJDOT determined an adjustment based on past participation is not necessary because the calculated median of the previous five years of DBE participation resulted in a “very similar number” as the Step One Base Figure. (See, Table 3).

B. Adjustment based on disparity studies and/or statistical studies conducted in our market area

In January 2024 the State of New Jersey released a comprehensive statewide study that reviewed public contracting opportunities of minority and women owned business. Statistically significant disparities were found in contracting with Minority Business Enterprises – including specifically in contracting with businesses owned by Black Americans, Asian Americans, and Hispanic Americans – for formal prime contracts in construction, professional services, and goods and services and for informal prime contracts across all industries studied. NJDOT chose not to use the data from this study, because the proportion of contract dollars awarded to DBEs, as indicated by past participation, was relatively close to the proportion of available DBEs in the relevant market area. Therefore, there was no need to make an adjustment based on this disparity study.

C. The Race/Gender-Neutral and Race/Gender Conscious Split

Based on the above methodology, NJDOT has determined its triennial DBE goal for Federal Fiscal Years 2026 through 2028 as 14.82% of the total federal financial assistance NJDOT will expend on Federal Highway Administration (FHWA) contracts. To ensure maximum race-neutral participation on NJDOT federally funded contracts, NJDOT has a DBE Supportive Service Program and Emerging Small Business Program to ensure the maximum percentage of DBE participation on federally assisted contracts comes from race neutral means.

DBE Supportive Services Program

NJDOT’s DBE Supportive Services Program that consists of a Technical Assistance Program (TAP), a Business Development Program (BDP), useful seminars and workshops, and a yearly networking event.

- TAP provides one-on-one assistance for immediate problem-solving DBEs may face. Assistance can include identifying contracting opportunities, marketing, and composing bids.
- BDP, known as *The Bridge to Success*, is designed to deliver long-term capacity-building, supportive services. The BDP is centered around an individualized business assessment and business development plan.
- Seminars and Workshops are provided to engage the DBE community with useful information such as upcoming projects, general marketing tactics, and management of business records and compliance.
- NJDOT strives to have a yearly networking event that brings together Prime contractors and DBE firms. The event includes NJDOT officials and other important stakeholders.

Emerging Small Business Enterprise

The NJDOT has established an Emerging Small Business Enterprise (ESBE) certification consistent with 49 CFR Part 26.39 & 26.51. NJDOT establishes ESBE goals on its federally funded contracts that do not have DBE goals and NJDOT uses race-neutral small business set aside contracts where there are opportunities for small businesses to act as a prime contractor. ESBE goals can be satisfied through

the use of certified DBE and/or certified ESBE firms.

Calculating the Race/Gender-Neutral and Race/Gender-Conscious Split

To determine the portion of the goal that will be achieved through race neutral means, NJDOT calculated the median annual past percentage of the goal that was achieved through race neutral means from 2020 through 2024. NJDOT's past race neutral participation from 2020 through 2024 has been 2.07%, 3.94%, 5.75%, 6.31%, and 8.01%, (**See Table 4.**) The median annual past race neutral participation is 5.75%. Therefore, NJDOT projects that 5.75% of the total federal financial assistance the Department will expend on FHWA contracts can be achieved through race and gender-neutral means or methods, and the remaining 9.07% can be achieved through race and gender conscious means or methods.

Table 4: Race/Gender Neutral Participation, 2020-2024

| Race/Gender Neutral Participation | | |
|------------------------------------------|----------------------|-----------------------------------|
| Federal Fiscal Year | Actual Participation | Race/Gender Neutral Participation |
| 2020 | 10.57% | 2.07% |
| 2021 | 12.13% | 3.94% |
| 2022 | 16.66% | 5.75% |
| 2023 | 14.53% | 6.31% |
| 2024 | 15.86% | 8.01% |
| Median Race/Gender Neutral Participation | | 5.75% |

D. Proposed DBE Goal for federal fiscal years 2026 through 2028

NJDOT has proposed its overall DBE goal for federal fiscal years 2026 through 2028 as 14.82% of the total federal financial assistance NJDOT will expend on Federal Highway Administration (FHWA) contracts. NJDOT projects that 5.75% of the total funding expended on federally assisted highway projects for this period can be achieved through race and gender-neutral means or methods, and the remaining 9.07% can be achieved through race and gender conscious means or methods.

A **virtual public hearing** concerning the proposed DBE goal will be held on:

June 23, 2025, at 10:00 A.M.

Please register at:

<https://events.gcc.teams.microsoft.com/event/879f6f73-6ec1-4959-b96f-065f2d1eaa0a@5076c3d1-3802-4b9f-b36a-e0a41bd642a7>

Submit written comments by July 1, 2025, to:

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